STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Revocation of the License to Conduct Gambling Activities of: Tram T. Nguyen Olympia, Washington, Licensee.	)	NO. CR 2012-00963 **NOTICE OF ADMINISTRATIVE CHARGES AND OPPORTUNITY FOR AN ADJUDICATIVE PROCEEDING**

I.

The Washington State Gambling Commission issued Tram T. Nguyen the following license:

Number 68-06814, authorizing Card Room Employee activity at Roman Casino in Seattle.

The license, which expires on January 14, 2013, was issued subject to the licensee's compliance with state gambling laws and Commission rules.

II.

Rick Day, Director of the Washington State Gambling Commission, charges the licensee with the following violations of the Washington State Gambling Act, 9.46 RCW, WAC Title 230.

SUMMARY

Tram T. Nguyen used her TwinStar Credit Union debit card to initiate multiple cash advances at the Roman Casino totaling $21,863. She actually received $9,603 from these transactions. At the time of her first cash advance, Ms. Nguyen had a balance in her account of $766.65.

FACTS

1) On July 25, 2012, a Washington State Gambling Commission Special Agent (agent) received a voicemail message from Kim Thompson, Loss Control Specialist with TwinStar Credit Union in Lacey. The agent called Ms. Thompson back the same day but received her voicemail.

2) On July 26, 2012, the agent received another call from Ms. Thompson. She said that she wanted to report a bank fraud scheme involving two of their banking members. One of their members, Mr. Huynh, had fraudulently conducted multiple cash advances at various casinos in King County. The member did not have funds in his account to support the cash advances. Another member, Ms. Nguyen, who happened to be the wife of Mr. Huynh, also conducted a similar fraud scheme. Ms. Nguyen worked at the Riverside Casino, according to their

records. Ms. Thompson said that she wrote reports on both members. She also collected many financial documents related to the member's banking transactions that proved their intent to defraud the bank. The agent requested the reports and financial documents Ms. Thompson prepared and collected. She said that she wanted the case sent to the prosecutor's office for criminal charges and restitution.

3) On July 30, 2012, the agent received an e-mail from Ms. Thompson. Ms. Thompson identified the male member as Thoai Huynh (husband). She identified the female member as Tram Nguyen (wife). During the agent's investigation, it was determined that Ms. Tram was a licensed Card Room Employee currently employed by the Roman Casino in Seattle.

4) Ms. Thompson wrote a report on Ms. Nguyen stating the following:

> "On July 12, 2012, TwinStar Credit Union member, Tram Nguyen, visited the Roman Casino in Seattle, WA. Using her TwinStar Credit Union debit card, Ms. Nguyen initiated multiple cash advances totaling $9,603. At the time of her first cash advance Ms. Nguyen had a balance in her account of $766.65. Ms. Nguyen later made several cash deposits to a BECU ATM in the amount of $12,600. Later that same day Ms. Nguyen returned to the Roman Casino and attempted to initiate an additional $12,260 in cash advances. At numerous times throughout the day Ms. Nguyen logged into Mobile Banking which allows access to transfer money, view recent transactions, holds, and view the available balance in the account. Ms. Nguyen is listed as wife of our member, Thoai Huynh. Please see separate report on Mr. Huynh. Ms. Nguyen's account with TwinStar Credit Union lists Riverside Casino as her employer."

5) The agent reviewed Ms. Thompson's report and determined that between 12:31 a.m. and 2:00 a.m., Ms. Nguyen initiated six cash advances at the Roman Casino cage for a total of $9,603. Ms. Nguyen only had $766.65 in her checking account. At this point, Ms. Nguyen's true account balance was -$8,836.35 ($766.65-$9,603). Each of the transactions noted were done very close to one another, some within two minutes of the next. She continued to request the same amount ($1,600.50) over and over again so long as she got approvals. She received approvals because each of the short term holds fell off after 30-60 seconds[1]. So, on the banking end her balance continued to remain at $766.65 until the transactions settled.

6) On July 12, 2012, at 11:46 p.m., Ms. Nguyen logged into Mobile Banking. According to Ms. Thompson, within Mobile Banking, members can view recent transactions, any holds placed on funds, and available balances. When Ms. Nguyen logged in, she appeared to be reviewing Mobile Banking to see if any authorization holds were placed on her account. When she determined there were no holds (or that the holds had fallen off) she initiated additional cash advances. Ms. Thompson provided the agent with a report from TwinStar that showed the

[1] When a debit card is swiped, the computer terminal sends information to the bank to freeze the funds; this is an authorization hold. If a hold is not settled within a certain time period, it will drop off. Short-term holds last only 30-60 seconds.

file maintenance history of Ms. Nguyen's Mobile Banking profile (see AT03). The report shows when Ms. Nguyen assessed Mobile Banking. The report shows that Ms. Nguyen knew how much money she had in her checking account yet continued to purposefully initiate cash advances to defraud the bank.

7) The Twinstar report documented the following transactions:

- July 12, 2012, at 11:40 Ms. Nguyen initiated a $3,000 cash deposit to a BECU ATM located at 1002 Park Ave N in Renton. This transaction was approved. ATMs do not place holds on cash deposits, so the funds reflected as available in her account.

- July 12, 2012, at 11:41 Ms. Nguyen initiated a $3,000 cash deposit to the Park Avenue BECU ATM.

- July 12, 2012, at 11:42 Ms. Nguyen initiated a $3,400 cash deposit to the Park Avenue BECU ATM.

- July 12, 2012, at 11:43 Ms. Nguyen initiated a $200 cash deposit to the Park Avenue BECU ATM.

- Ms. Nguyen's four ATM cash deposits in the amount of $9,600 were approved and were reflected in her checking account balance immediately. Her available balance was $10,366.65 (766.65+$9,600).

- July 12, 2012, at 15:22 Ms. Nguyen logged into Mobile Banking, and would have seen the new larger account balance ($10,366.65).

- July 12, 2012, at 15:48 TwinStar Credit Union blocked Ms. Nguyen's debit card for fraudulent use.

- July 12, 2012, at 20:32 Ms. Nguyen initiated a cash advance at Roman Casino in Seattle in the amount of $7,469. The card was blocked and this transaction was denied.

- July 12, 2012, at 20:43 Ms. Nguyen initiated a cash advance at Roman Casino in the amount of $1,600.50. The card was blocked and this transaction was denied.

- July 12, 2012, at 20:59 Ms. Nguyen logged into Mobile Banking.

- July 12, 2012, at 21:09 Ms. Nguyen initiated a cash advance at Roman Casino in the amount of $1,590. The card was blocked and this transaction was denied.

- July 12, 2012, at 21:29 Ms. Nguyen initiated a cash advance at Roman Casino in the amount of $1,600.50. The card was blocked and this transaction was denied.

8) According to Ms. Thompson, Ms. Nguyen called TwinStar on July 13, 2012, to inquire why her card was not working. Ms. Thompson said that she told Ms. Nguyen that since she was initiating cash advances well above her available balance, she blocked the card for fraud. According to Ms. Thompson, Ms. Nguyen indicated that she was aware of her available balance at the time of the advances.

9) On July 30, 2012, the agent went to the Roman Casino and interviewed Angelita Mirabueno, Cage Manager. The agent asked to explain the cash advance procedures for the Roman Casino. Ms. Mirabueno told the agent the following:

- When players want a cash advance they come to the cage and present their debit card and driver's license to the cage cashier.
- The cage cashier then matches the driver's license photo to the player and the name on the debit card to the driver's license.
- The player tells the cage cashier how much money they want and how they want to run the debit card - debit or credit. If the player wants to run it credit they have to sign a receipt. If they want to run it as debit they have to enter a PIN number.
- The cage cashier types the amount the player wants in a terminal operated by Interstate Merchant Services (IMS) and swipes the player's card. IMS checks with the player's bank for available funds in the account. If funds are available the terminal will print a receipt with an approval code.
- The player then signs the receipt and is given cash in the amount that was approved by IMS.
- If the player is denied by IMS, then the player can continue to have the cage cashier run the card through the system. Usually when a player is denied, they will lower the amount they are requesting in hopes of the system approving the transaction. Players can continue to do cash advances.
- There is no limit in how much a player can request in a cash advance. However, she said that the player would only get cash if IMS approved the transaction.

10) While at the Roman Casino, the agent obtained all the original cash advance receipts that Ms. Nguyen signed for all of the transactions. The players are charged a 6.7% fee to obtain a cash advance at the Roman Casino. Ms. Nguyen was reimbursed by the Roman Casino for all the fees she paid from the cash advance transactions. The agent also obtained various daily casino records that showed various transactions by Ms. Nguyen.

11) On August 2, 2012, the agent interviewed Gus Routos, Casino Manager, at the Roman Casino. The agent asked Mr. Routos if he remembered Mr. Huynh gambling at the Roman Casino on July 3, 2012, and July 4, 2012. He said that he remembered him. He said he went

by the name "Troy." He said Mr. Huynh was a new player to the Roman Casino. He said that around July 3, 2012, may have been his first time at the casino gambling. Mr. Routos said Mr. Huynh was the boyfriend or husband of Ms. Nguyen. He said that Ms. Nguyen was a dealer at the Roman Casino. He said that he recalled both Mr. Huynh and Ms. Nguyen playing mini-baccarat together.

12) The agent obtained a customer history reports that show Ms. Nguyen is an avid gambler and that she and her husband gamble together at the Roman Casino and have gambled at the Macau Casino.

13) During the investigation, the agent reviewed the Transaction Summary that Ms. Thompson provided. The date range on the Transaction Summary was from June 1, 2012, to July 31, 2012. While reviewing the record, the agent noted the following transactions:

- June 5, 2012, Ms. Nguyen initiated a cash advance in the amount of $1,560 at the Riverside Casino, which caused her account balance to overdraft to -$1,035.76.

- June 11, 2012, Ms. Nguyen conducted a draft withdrawal in the amount of $1,200 at what appeared to be the Riverside Casino, which caused her account balance to overdraft to -$1,188.20.

- June 24, 2012, Ms. Nguyen initiated a cash advance in the amount of $1,164.99 at the Muckleshoot Casino, which caused her account balance to overdraft to -$1,104.15.

14) According to Ms. Thompson, Ms. Nguyen has a loan with TwinStar with a current balance of $5,735.38. According to the Transaction Summary, it appears that NGUYEN received this loan on June 25, 2012, when $5,000 was deposited into her account.

15) Ms. Nguyen knew she did not have sufficient funds in her checking account, but she attempted to withdraw $21,863 in cash advances from Roman Casino. She actually received $9,603. Ms. Nguyen was very methodical in her scheme and constantly checked Mobile Banking to verify her available balance. When she noticed that no holds were placed on funds withdrawn from the Roman Casino, she initiated multiple cash advances.

16) The agent referred this case to the King County Prosecutor's Office.

VIOLATIONS:

RCW 9.46.075 Denial, suspension, or revocation of license or permit
The Commission may deny an application, or suspend or revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest. These reasons shall include, but not be limited to, cases wherein the applicant or licensee, or any person with any interest therein:

(1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the Commission pursuant thereto, or when a violation of any provision of chapter

9.46 RCW, or any Commission rule, has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control.

(8) Fails to prove, by clear and convincing evidence, that she is qualified in accordance with the provisions of this chapter;

(10) Has pursued or is pursuing economic gain in an occupational manner or context which is in violation of the criminal or civil public policy of this state if such pursuit creates probable cause to believe that the participation of such person in gambling or related activities would be inimical to the proper operation of an authorized gambling or related activity in this state. For the purposes of this section, occupational manner or context shall be defined as the systematic planning, administration, management or execution of an activity for financial gain.

WAC 230-03-085 Denying, suspending, or revoking an license or permit
We may deny, suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization:

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.

(8) Poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by: (a) Prior activities; or (b) Criminal record; or (c) Reputation; or (d) Habits; or (e) Associations.

RCW 9.46.153 Applicants and licensees- Responsibilities and duties

(1) It shall be the affirmative responsibility of each applicant and licensee to establish by clear and convincing evidence the necessary qualifications for licensure of each person required to be qualified under this chapter, as well as the qualifications of the facility in which the licensed activity will be conducted.

By initiating cash advances without having sufficient funds in her account, the licensee has failed to show by clear and convincing evidence that she is qualified for licensure, in violation of RCW 9.46.153(1). Grounds, therefore, exist to revoke Tram T. Nguyen's license, pursuant to RCW 9.46.075(1), (8), and (10) and WAC 230-03-085(1), and (8).

III.

The charges specified in paragraph II above constitute grounds for revocation of the license issued to Tram T. Nguyen to conduct authorized gambling activities under the authority of RCW 9.46.075, WAC 230-03-085.

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IV.

Jurisdiction of this proceeding is based on 9.46 RCW, Gambling, chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230.

The licensee will have the opportunity to have a hearing on the alleged violations.

In order to have a hearing or discuss settlement options, the enclosed request for hearing must be completed and returned to the Gambling Commission **within 23 days** from the date of the mailing of this notice.

Based on RCW 34.05.440, failure to return this document will result in the entry of a default order REVOKING your license.

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

Rick Day, being duly sworn on oath, says: That he has read this Notice of Administrative Charges and Opportunity for An Adjudicative Proceeding, knows the contents of it, believes it to be true, that he is the Director of the Washington State Gambling Commission, and in that capacity has executed said Notice.

RICK DAY, DIRECTOR

SUBSCRIBED AND SWORN TO before me this 3 day of October, 2012.

NOTARY PUBLIC in and for the State of Washington residing at Thurston County
My Commission expires on December 2, 2015

STATE OF WASHINGTON)
)SS
COUNTY OF THURSTON)

I hereby certify that I have this day served a copy of the document upon all parties of record in the proceeding by mailing a copy thereof, properly addressed with postage prepaid, by regular and certified mail to each party to the proceeding or his or her attorney or authorized agent.

Dated at Olympia, Washington this 3 day of October, 2012

Maureen Pretell
Communications and Legal Department
Washington State Gambling Commission